



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
SB2364

Introduced 2/3/2004, by Patrick Welch

SYNOPSIS AS INTRODUCED:

105 ILCS 5/18-8.05

Amends the State aid formula provisions of the School Code. With regard to supplemental general State aid, allows the low-income eligible pupil count from the most recently available federal census to be used to define Low-Income Concentration Level. Effective July 1, 2004.

LRB093 20525 NHT 46329 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by changing Section
5 18-8.05 as follows:

6 (105 ILCS 5/18-8.05)

7 Sec. 18-8.05. Basis for apportionment of general State
8 financial aid and supplemental general State aid to the common
9 schools for the 1998-1999 and subsequent school years.

10 (A) General Provisions.

11 (1) The provisions of this Section apply to the 1998-1999
12 and subsequent school years. The system of general State
13 financial aid provided for in this Section is designed to
14 assure that, through a combination of State financial aid and
15 required local resources, the financial support provided each
16 pupil in Average Daily Attendance equals or exceeds a
17 prescribed per pupil Foundation Level. This formula approach
18 imputes a level of per pupil Available Local Resources and
19 provides for the basis to calculate a per pupil level of
20 general State financial aid that, when added to Available Local
21 Resources, equals or exceeds the Foundation Level. The amount
22 of per pupil general State financial aid for school districts,
23 in general, varies in inverse relation to Available Local
24 Resources. Per pupil amounts are based upon each school
25 district's Average Daily Attendance as that term is defined in
26 this Section.

27 (2) In addition to general State financial aid, school
28 districts with specified levels or concentrations of pupils
29 from low income households are eligible to receive supplemental
30 general State financial aid grants as provided pursuant to
31 subsection (H). The supplemental State aid grants provided for

1 school districts under subsection (H) shall be appropriated for
2 distribution to school districts as part of the same line item
3 in which the general State financial aid of school districts is
4 appropriated under this Section.

5 (3) To receive financial assistance under this Section,
6 school districts are required to file claims with the State
7 Board of Education, subject to the following requirements:

8 (a) Any school district which fails for any given
9 school year to maintain school as required by law, or to
10 maintain a recognized school is not eligible to file for
11 such school year any claim upon the Common School Fund. In
12 case of nonrecognition of one or more attendance centers in
13 a school district otherwise operating recognized schools,
14 the claim of the district shall be reduced in the
15 proportion which the Average Daily Attendance in the
16 attendance center or centers bear to the Average Daily
17 Attendance in the school district. A "recognized school"
18 means any public school which meets the standards as
19 established for recognition by the State Board of
20 Education. A school district or attendance center not
21 having recognition status at the end of a school term is
22 entitled to receive State aid payments due upon a legal
23 claim which was filed while it was recognized.

24 (b) School district claims filed under this Section are
25 subject to Sections 18-9, 18-10, and 18-12, except as
26 otherwise provided in this Section.

27 (c) If a school district operates a full year school
28 under Section 10-19.1, the general State aid to the school
29 district shall be determined by the State Board of
30 Education in accordance with this Section as near as may be
31 applicable.

32 (d) (Blank).

33 (4) Except as provided in subsections (H) and (L), the
34 board of any district receiving any of the grants provided for
35 in this Section may apply those funds to any fund so received
36 for which that board is authorized to make expenditures by law.

1 School districts are not required to exert a minimum
2 Operating Tax Rate in order to qualify for assistance under
3 this Section.

4 (5) As used in this Section the following terms, when
5 capitalized, shall have the meaning ascribed herein:

6 (a) "Average Daily Attendance": A count of pupil
7 attendance in school, averaged as provided for in
8 subsection (C) and utilized in deriving per pupil financial
9 support levels.

10 (b) "Available Local Resources": A computation of
11 local financial support, calculated on the basis of Average
12 Daily Attendance and derived as provided pursuant to
13 subsection (D).

14 (c) "Corporate Personal Property Replacement Taxes":
15 Funds paid to local school districts pursuant to "An Act in
16 relation to the abolition of ad valorem personal property
17 tax and the replacement of revenues lost thereby, and
18 amending and repealing certain Acts and parts of Acts in
19 connection therewith", certified August 14, 1979, as
20 amended (Public Act 81-1st S.S.-1).

21 (d) "Foundation Level": A prescribed level of per pupil
22 financial support as provided for in subsection (B).

23 (e) "Operating Tax Rate": All school district property
24 taxes extended for all purposes, except Bond and Interest,
25 Summer School, Rent, Capital Improvement, and Vocational
26 Education Building purposes.

27 (B) Foundation Level.

28 (1) The Foundation Level is a figure established by the
29 State representing the minimum level of per pupil financial
30 support that should be available to provide for the basic
31 education of each pupil in Average Daily Attendance. As set
32 forth in this Section, each school district is assumed to exert
33 a sufficient local taxing effort such that, in combination with
34 the aggregate of general State financial aid provided the
35 district, an aggregate of State and local resources are

1 available to meet the basic education needs of pupils in the
2 district.

3 (2) For the 1998-1999 school year, the Foundation Level of
4 support is \$4,225. For the 1999-2000 school year, the
5 Foundation Level of support is \$4,325. For the 2000-2001 school
6 year, the Foundation Level of support is \$4,425.

7 (3) For the 2001-2002 school year and 2002-2003 school
8 year, the Foundation Level of support is \$4,560.

9 (4) For the 2003-2004 school year and each school year
10 thereafter, the Foundation Level of support is \$4,810 or such
11 greater amount as may be established by law by the General
12 Assembly.

13 (C) Average Daily Attendance.

14 (1) For purposes of calculating general State aid pursuant
15 to subsection (E), an Average Daily Attendance figure shall be
16 utilized. The Average Daily Attendance figure for formula
17 calculation purposes shall be the monthly average of the actual
18 number of pupils in attendance of each school district, as
19 further averaged for the best 3 months of pupil attendance for
20 each school district. In compiling the figures for the number
21 of pupils in attendance, school districts and the State Board
22 of Education shall, for purposes of general State aid funding,
23 conform attendance figures to the requirements of subsection
24 (F).

25 (2) The Average Daily Attendance figures utilized in
26 subsection (E) shall be the requisite attendance data for the
27 school year immediately preceding the school year for which
28 general State aid is being calculated or the average of the
29 attendance data for the 3 preceding school years, whichever is
30 greater. The Average Daily Attendance figures utilized in
31 subsection (H) shall be the requisite attendance data for the
32 school year immediately preceding the school year for which
33 general State aid is being calculated.

34 (D) Available Local Resources.

1 (1) For purposes of calculating general State aid pursuant
2 to subsection (E), a representation of Available Local
3 Resources per pupil, as that term is defined and determined in
4 this subsection, shall be utilized. Available Local Resources
5 per pupil shall include a calculated dollar amount representing
6 local school district revenues from local property taxes and
7 from Corporate Personal Property Replacement Taxes, expressed
8 on the basis of pupils in Average Daily Attendance.

9 (2) In determining a school district's revenue from local
10 property taxes, the State Board of Education shall utilize the
11 equalized assessed valuation of all taxable property of each
12 school district as of September 30 of the previous year. The
13 equalized assessed valuation utilized shall be obtained and
14 determined as provided in subsection (G).

15 (3) For school districts maintaining grades kindergarten
16 through 12, local property tax revenues per pupil shall be
17 calculated as the product of the applicable equalized assessed
18 valuation for the district multiplied by 3.00%, and divided by
19 the district's Average Daily Attendance figure. For school
20 districts maintaining grades kindergarten through 8, local
21 property tax revenues per pupil shall be calculated as the
22 product of the applicable equalized assessed valuation for the
23 district multiplied by 2.30%, and divided by the district's
24 Average Daily Attendance figure. For school districts
25 maintaining grades 9 through 12, local property tax revenues
26 per pupil shall be the applicable equalized assessed valuation
27 of the district multiplied by 1.05%, and divided by the
28 district's Average Daily Attendance figure.

29 (4) The Corporate Personal Property Replacement Taxes paid
30 to each school district during the calendar year 2 years before
31 the calendar year in which a school year begins, divided by the
32 Average Daily Attendance figure for that district, shall be
33 added to the local property tax revenues per pupil as derived
34 by the application of the immediately preceding paragraph (3).
35 The sum of these per pupil figures for each school district
36 shall constitute Available Local Resources as that term is

1 utilized in subsection (E) in the calculation of general State
2 aid.

3 (E) Computation of General State Aid.

4 (1) For each school year, the amount of general State aid
5 allotted to a school district shall be computed by the State
6 Board of Education as provided in this subsection.

7 (2) For any school district for which Available Local
8 Resources per pupil is less than the product of 0.93 times the
9 Foundation Level, general State aid for that district shall be
10 calculated as an amount equal to the Foundation Level minus
11 Available Local Resources, multiplied by the Average Daily
12 Attendance of the school district.

13 (3) For any school district for which Available Local
14 Resources per pupil is equal to or greater than the product of
15 0.93 times the Foundation Level and less than the product of
16 1.75 times the Foundation Level, the general State aid per
17 pupil shall be a decimal proportion of the Foundation Level
18 derived using a linear algorithm. Under this linear algorithm,
19 the calculated general State aid per pupil shall decline in
20 direct linear fashion from 0.07 times the Foundation Level for
21 a school district with Available Local Resources equal to the
22 product of 0.93 times the Foundation Level, to 0.05 times the
23 Foundation Level for a school district with Available Local
24 Resources equal to the product of 1.75 times the Foundation
25 Level. The allocation of general State aid for school districts
26 subject to this paragraph 3 shall be the calculated general
27 State aid per pupil figure multiplied by the Average Daily
28 Attendance of the school district.

29 (4) For any school district for which Available Local
30 Resources per pupil equals or exceeds the product of 1.75 times
31 the Foundation Level, the general State aid for the school
32 district shall be calculated as the product of \$218 multiplied
33 by the Average Daily Attendance of the school district.

34 (5) The amount of general State aid allocated to a school
35 district for the 1999-2000 school year meeting the requirements

1 set forth in paragraph (4) of subsection (G) shall be increased
2 by an amount equal to the general State aid that would have
3 been received by the district for the 1998-1999 school year by
4 utilizing the Extension Limitation Equalized Assessed
5 Valuation as calculated in paragraph (4) of subsection (G) less
6 the general State aid allotted for the 1998-1999 school year.
7 This amount shall be deemed a one time increase, and shall not
8 affect any future general State aid allocations.

9 (F) Compilation of Average Daily Attendance.

10 (1) Each school district shall, by July 1 of each year,
11 submit to the State Board of Education, on forms prescribed by
12 the State Board of Education, attendance figures for the school
13 year that began in the preceding calendar year. The attendance
14 information so transmitted shall identify the average daily
15 attendance figures for each month of the school year. Beginning
16 with the general State aid claim form for the 2002-2003 school
17 year, districts shall calculate Average Daily Attendance as
18 provided in subdivisions (a), (b), and (c) of this paragraph
19 (1).

20 (a) In districts that do not hold year-round classes,
21 days of attendance in August shall be added to the month of
22 September and any days of attendance in June shall be added
23 to the month of May.

24 (b) In districts in which all buildings hold year-round
25 classes, days of attendance in July and August shall be
26 added to the month of September and any days of attendance
27 in June shall be added to the month of May.

28 (c) In districts in which some buildings, but not all,
29 hold year-round classes, for the non-year-round buildings,
30 days of attendance in August shall be added to the month of
31 September and any days of attendance in June shall be added
32 to the month of May. The average daily attendance for the
33 year-round buildings shall be computed as provided in
34 subdivision (b) of this paragraph (1). To calculate the
35 Average Daily Attendance for the district, the average

1 daily attendance for the year-round buildings shall be
2 multiplied by the days in session for the non-year-round
3 buildings for each month and added to the monthly
4 attendance of the non-year-round buildings.

5 Except as otherwise provided in this Section, days of
6 attendance by pupils shall be counted only for sessions of not
7 less than 5 clock hours of school work per day under direct
8 supervision of: (i) teachers, or (ii) non-teaching personnel or
9 volunteer personnel when engaging in non-teaching duties and
10 supervising in those instances specified in subsection (a) of
11 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
12 of legal school age and in kindergarten and grades 1 through
13 12.

14 Days of attendance by tuition pupils shall be accredited
15 only to the districts that pay the tuition to a recognized
16 school.

17 (2) Days of attendance by pupils of less than 5 clock hours
18 of school shall be subject to the following provisions in the
19 compilation of Average Daily Attendance.

20 (a) Pupils regularly enrolled in a public school for
21 only a part of the school day may be counted on the basis
22 of 1/6 day for every class hour of instruction of 40
23 minutes or more attended pursuant to such enrollment,
24 unless a pupil is enrolled in a block-schedule format of 80
25 minutes or more of instruction, in which case the pupil may
26 be counted on the basis of the proportion of minutes of
27 school work completed each day to the minimum number of
28 minutes that school work is required to be held that day.

29 (b) Days of attendance may be less than 5 clock hours
30 on the opening and closing of the school term, and upon the
31 first day of pupil attendance, if preceded by a day or days
32 utilized as an institute or teachers' workshop.

33 (c) A session of 4 or more clock hours may be counted
34 as a day of attendance upon certification by the regional
35 superintendent, and approved by the State Superintendent
36 of Education to the extent that the district has been

1 forced to use daily multiple sessions.

2 (d) A session of 3 or more clock hours may be counted
3 as a day of attendance (1) when the remainder of the school
4 day or at least 2 hours in the evening of that day is
5 utilized for an in-service training program for teachers,
6 up to a maximum of 5 days per school year of which a
7 maximum of 4 days of such 5 days may be used for
8 parent-teacher conferences, provided a district conducts
9 an in-service training program for teachers which has been
10 approved by the State Superintendent of Education; or, in
11 lieu of 4 such days, 2 full days may be used, in which
12 event each such day may be counted as a day of attendance;
13 and (2) when days in addition to those provided in item (1)
14 are scheduled by a school pursuant to its school
15 improvement plan adopted under Article 34 or its revised or
16 amended school improvement plan adopted under Article 2,
17 provided that (i) such sessions of 3 or more clock hours
18 are scheduled to occur at regular intervals, (ii) the
19 remainder of the school days in which such sessions occur
20 are utilized for in-service training programs or other
21 staff development activities for teachers, and (iii) a
22 sufficient number of minutes of school work under the
23 direct supervision of teachers are added to the school days
24 between such regularly scheduled sessions to accumulate
25 not less than the number of minutes by which such sessions
26 of 3 or more clock hours fall short of 5 clock hours. Any
27 full days used for the purposes of this paragraph shall not
28 be considered for computing average daily attendance. Days
29 scheduled for in-service training programs, staff
30 development activities, or parent-teacher conferences may
31 be scheduled separately for different grade levels and
32 different attendance centers of the district.

33 (e) A session of not less than one clock hour of
34 teaching hospitalized or homebound pupils on-site or by
35 telephone to the classroom may be counted as 1/2 day of
36 attendance, however these pupils must receive 4 or more

1 clock hours of instruction to be counted for a full day of
2 attendance.

3 (f) A session of at least 4 clock hours may be counted
4 as a day of attendance for first grade pupils, and pupils
5 in full day kindergartens, and a session of 2 or more hours
6 may be counted as 1/2 day of attendance by pupils in
7 kindergartens which provide only 1/2 day of attendance.

8 (g) For children with disabilities who are below the
9 age of 6 years and who cannot attend 2 or more clock hours
10 because of their disability or immaturity, a session of not
11 less than one clock hour may be counted as 1/2 day of
12 attendance; however for such children whose educational
13 needs so require a session of 4 or more clock hours may be
14 counted as a full day of attendance.

15 (h) A recognized kindergarten which provides for only
16 1/2 day of attendance by each pupil shall not have more
17 than 1/2 day of attendance counted in any one day. However,
18 kindergartens may count 2 1/2 days of attendance in any 5
19 consecutive school days. When a pupil attends such a
20 kindergarten for 2 half days on any one school day, the
21 pupil shall have the following day as a day absent from
22 school, unless the school district obtains permission in
23 writing from the State Superintendent of Education.
24 Attendance at kindergartens which provide for a full day of
25 attendance by each pupil shall be counted the same as
26 attendance by first grade pupils. Only the first year of
27 attendance in one kindergarten shall be counted, except in
28 case of children who entered the kindergarten in their
29 fifth year whose educational development requires a second
30 year of kindergarten as determined under the rules and
31 regulations of the State Board of Education.

32 (G) Equalized Assessed Valuation Data.

33 (1) For purposes of the calculation of Available Local
34 Resources required pursuant to subsection (D), the State Board
35 of Education shall secure from the Department of Revenue the

1 value as equalized or assessed by the Department of Revenue of
2 all taxable property of every school district, together with
3 (i) the applicable tax rate used in extending taxes for the
4 funds of the district as of September 30 of the previous year
5 and (ii) the limiting rate for all school districts subject to
6 property tax extension limitations as imposed under the
7 Property Tax Extension Limitation Law.

8 This equalized assessed valuation, as adjusted further by
9 the requirements of this subsection, shall be utilized in the
10 calculation of Available Local Resources.

11 (2) The equalized assessed valuation in paragraph (1) shall
12 be adjusted, as applicable, in the following manner:

13 (a) For the purposes of calculating State aid under
14 this Section, with respect to any part of a school district
15 within a redevelopment project area in respect to which a
16 municipality has adopted tax increment allocation
17 financing pursuant to the Tax Increment Allocation
18 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
19 of the Illinois Municipal Code or the Industrial Jobs
20 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
21 Illinois Municipal Code, no part of the current equalized
22 assessed valuation of real property located in any such
23 project area which is attributable to an increase above the
24 total initial equalized assessed valuation of such
25 property shall be used as part of the equalized assessed
26 valuation of the district, until such time as all
27 redevelopment project costs have been paid, as provided in
28 Section 11-74.4-8 of the Tax Increment Allocation
29 Redevelopment Act or in Section 11-74.6-35 of the
30 Industrial Jobs Recovery Law. For the purpose of the
31 equalized assessed valuation of the district, the total
32 initial equalized assessed valuation or the current
33 equalized assessed valuation, whichever is lower, shall be
34 used until such time as all redevelopment project costs
35 have been paid.

36 (b) The real property equalized assessed valuation for

1 a school district shall be adjusted by subtracting from the
2 real property value as equalized or assessed by the
3 Department of Revenue for the district an amount computed
4 by dividing the amount of any abatement of taxes under
5 Section 18-170 of the Property Tax Code by 3.00% for a
6 district maintaining grades kindergarten through 12, by
7 2.30% for a district maintaining grades kindergarten
8 through 8, or by 1.05% for a district maintaining grades 9
9 through 12 and adjusted by an amount computed by dividing
10 the amount of any abatement of taxes under subsection (a)
11 of Section 18-165 of the Property Tax Code by the same
12 percentage rates for district type as specified in this
13 subparagraph (b).

14 (3) For the 1999-2000 school year and each school year
15 thereafter, if a school district meets all of the criteria of
16 this subsection (G) (3), the school district's Available Local
17 Resources shall be calculated under subsection (D) using the
18 district's Extension Limitation Equalized Assessed Valuation
19 as calculated under this subsection (G) (3).

20 For purposes of this subsection (G) (3) the following terms
21 shall have the following meanings:

22 "Budget Year": The school year for which general State
23 aid is calculated and awarded under subsection (E).

24 "Base Tax Year": The property tax levy year used to
25 calculate the Budget Year allocation of general State aid.

26 "Preceding Tax Year": The property tax levy year
27 immediately preceding the Base Tax Year.

28 "Base Tax Year's Tax Extension": The product of the
29 equalized assessed valuation utilized by the County Clerk
30 in the Base Tax Year multiplied by the limiting rate as
31 calculated by the County Clerk and defined in the Property
32 Tax Extension Limitation Law.

33 "Preceding Tax Year's Tax Extension": The product of
34 the equalized assessed valuation utilized by the County
35 Clerk in the Preceding Tax Year multiplied by the Operating
36 Tax Rate as defined in subsection (A).

1 "Extension Limitation Ratio": A numerical ratio,
2 certified by the County Clerk, in which the numerator is
3 the Base Tax Year's Tax Extension and the denominator is
4 the Preceding Tax Year's Tax Extension.

5 "Operating Tax Rate": The operating tax rate as defined
6 in subsection (A).

7 If a school district is subject to property tax extension
8 limitations as imposed under the Property Tax Extension
9 Limitation Law, the State Board of Education shall calculate
10 the Extension Limitation Equalized Assessed Valuation of that
11 district. For the 1999-2000 school year, the Extension
12 Limitation Equalized Assessed Valuation of a school district as
13 calculated by the State Board of Education shall be equal to
14 the product of the district's 1996 Equalized Assessed Valuation
15 and the district's Extension Limitation Ratio. For the
16 2000-2001 school year and each school year thereafter, the
17 Extension Limitation Equalized Assessed Valuation of a school
18 district as calculated by the State Board of Education shall be
19 equal to the product of the Equalized Assessed Valuation last
20 used in the calculation of general State aid and the district's
21 Extension Limitation Ratio. If the Extension Limitation
22 Equalized Assessed Valuation of a school district as calculated
23 under this subsection (G)(3) is less than the district's
24 equalized assessed valuation as calculated pursuant to
25 subsections (G)(1) and (G)(2), then for purposes of calculating
26 the district's general State aid for the Budget Year pursuant
27 to subsection (E), that Extension Limitation Equalized
28 Assessed Valuation shall be utilized to calculate the
29 district's Available Local Resources under subsection (D).

30 (4) For the purposes of calculating general State aid for
31 the 1999-2000 school year only, if a school district
32 experienced a triennial reassessment on the equalized assessed
33 valuation used in calculating its general State financial aid
34 apportionment for the 1998-1999 school year, the State Board of
35 Education shall calculate the Extension Limitation Equalized
36 Assessed Valuation that would have been used to calculate the

1 district's 1998-1999 general State aid. This amount shall equal
2 the product of the equalized assessed valuation used to
3 calculate general State aid for the 1997-1998 school year and
4 the district's Extension Limitation Ratio. If the Extension
5 Limitation Equalized Assessed Valuation of the school district
6 as calculated under this paragraph (4) is less than the
7 district's equalized assessed valuation utilized in
8 calculating the district's 1998-1999 general State aid
9 allocation, then for purposes of calculating the district's
10 general State aid pursuant to paragraph (5) of subsection (E),
11 that Extension Limitation Equalized Assessed Valuation shall
12 be utilized to calculate the district's Available Local
13 Resources.

14 (5) For school districts having a majority of their
15 equalized assessed valuation in any county except Cook, DuPage,
16 Kane, Lake, McHenry, or Will, if the amount of general State
17 aid allocated to the school district for the 1999-2000 school
18 year under the provisions of subsection (E), (H), and (J) of
19 this Section is less than the amount of general State aid
20 allocated to the district for the 1998-1999 school year under
21 these subsections, then the general State aid of the district
22 for the 1999-2000 school year only shall be increased by the
23 difference between these amounts. The total payments made under
24 this paragraph (5) shall not exceed \$14,000,000. Claims shall
25 be prorated if they exceed \$14,000,000.

26 (H) Supplemental General State Aid.

27 (1) In addition to the general State aid a school district
28 is allotted pursuant to subsection (E), qualifying school
29 districts shall receive a grant, paid in conjunction with a
30 district's payments of general State aid, for supplemental
31 general State aid based upon the concentration level of
32 children from low-income households within the school
33 district. Supplemental State aid grants provided for school
34 districts under this subsection shall be appropriated for
35 distribution to school districts as part of the same line item

1 in which the general State financial aid of school districts is
2 appropriated under this Section. If the appropriation in any
3 fiscal year for general State aid and supplemental general
4 State aid is insufficient to pay the amounts required under the
5 general State aid and supplemental general State aid
6 calculations, then the State Board of Education shall ensure
7 that each school district receives the full amount due for
8 general State aid and the remainder of the appropriation shall
9 be used for supplemental general State aid, which the State
10 Board of Education shall calculate and pay to eligible
11 districts on a prorated basis.

12 (1.5) This paragraph (1.5) applies only to those school
13 years preceding the 2003-2004 school year. For purposes of this
14 subsection (H), the term "Low-Income Concentration Level"
15 shall be the low-income eligible pupil count from the most
16 recently available federal census divided by the Average Daily
17 Attendance of the school district. If, however, (i) the
18 percentage decrease from the 2 most recent federal censuses in
19 the low-income eligible pupil count of a high school district
20 with fewer than 400 students exceeds by 75% or more the
21 percentage change in the total low-income eligible pupil count
22 of contiguous elementary school districts, whose boundaries
23 are coterminous with the high school district, or (ii) a high
24 school district within 2 counties and serving 5 elementary
25 school districts, whose boundaries are coterminous with the
26 high school district, has a percentage decrease from the 2 most
27 recent federal censuses in the low-income eligible pupil count
28 and there is a percentage increase in the total low-income
29 eligible pupil count of a majority of the elementary school
30 districts in excess of 50% from the 2 most recent federal
31 censuses, then the high school district's low-income eligible
32 pupil count from the earlier federal census shall be the number
33 used as the low-income eligible pupil count for the high school
34 district, for purposes of this subsection (H). The changes made
35 to this paragraph (1) by Public Act 92-28 shall apply to
36 supplemental general State aid grants for school years

1 preceding the 2003-2004 school year that are paid in fiscal
2 year 1999 or thereafter and to any State aid payments made in
3 fiscal year 1994 through fiscal year 1998 pursuant to
4 subsection 1(n) of Section 18-8 of this Code (which was
5 repealed on July 1, 1998), and any high school district that is
6 affected by Public Act 92-28 is entitled to a recomputation of
7 its supplemental general State aid grant or State aid paid in
8 any of those fiscal years. This recomputation shall not be
9 affected by any other funding.

10 (1.10) This paragraph (1.10) applies only to the 2003-2004
11 school year ~~and each school year thereafter~~. For purposes of
12 this subsection (H), the term "Low-Income Concentration Level"
13 shall, for each fiscal year, be the low-income eligible pupil
14 count as of July 1 of the immediately preceding fiscal year (as
15 determined by the Department of Human Services based on the
16 number of pupils who are eligible for at least one of the
17 following low income programs: Medicaid, KidCare, TANF, or Food
18 Stamps, excluding pupils who are eligible for services provided
19 by the Department of Children and Family Services, averaged
20 over the 2 immediately preceding fiscal years for fiscal year
21 2004 and over the 3 immediately preceding fiscal years for each
22 fiscal year thereafter) divided by the Average Daily Attendance
23 of the school district.

24 (1.15) This paragraph (1.15) applies to the 2004-2005
25 school year and each school year thereafter. For purposes of
26 this subsection (H), the term "Low Income Concentration Level"
27 shall, for each fiscal year, be the low income eligible pupil
28 count (i) from the most recently available federal census or
29 (ii) the low-income eligible pupil count as of July 1 of the
30 immediately preceding fiscal year as determined by the
31 Department of Human Services (based on the number of pupils who
32 are eligible for at least one of the following low income
33 programs: Medicaid, KidCare, TANF, or Food Stamps, excluding
34 pupils who are eligible for services provided by the Department
35 of Children and Family Services, averaged over the 3
36 immediately preceding fiscal years), whichever is greater,

1 divided by the Average Daily Attendance of the school district.

2 (2) Supplemental general State aid pursuant to this
3 subsection (H) shall be provided as follows for the 1998-1999,
4 1999-2000, and 2000-2001 school years only:

5 (a) For any school district with a Low Income
6 Concentration Level of at least 20% and less than 35%, the
7 grant for any school year shall be \$800 multiplied by the
8 low income eligible pupil count.

9 (b) For any school district with a Low Income
10 Concentration Level of at least 35% and less than 50%, the
11 grant for the 1998-1999 school year shall be \$1,100
12 multiplied by the low income eligible pupil count.

13 (c) For any school district with a Low Income
14 Concentration Level of at least 50% and less than 60%, the
15 grant for the 1998-99 school year shall be \$1,500
16 multiplied by the low income eligible pupil count.

17 (d) For any school district with a Low Income
18 Concentration Level of 60% or more, the grant for the
19 1998-99 school year shall be \$1,900 multiplied by the low
20 income eligible pupil count.

21 (e) For the 1999-2000 school year, the per pupil amount
22 specified in subparagraphs (b), (c), and (d) immediately
23 above shall be increased to \$1,243, \$1,600, and \$2,000,
24 respectively.

25 (f) For the 2000-2001 school year, the per pupil
26 amounts specified in subparagraphs (b), (c), and (d)
27 immediately above shall be \$1,273, \$1,640, and \$2,050,
28 respectively.

29 (2.5) Supplemental general State aid pursuant to this
30 subsection (H) shall be provided as follows for the 2002-2003
31 school year:

32 (a) For any school district with a Low Income
33 Concentration Level of less than 10%, the grant for each
34 school year shall be \$355 multiplied by the low income
35 eligible pupil count.

36 (b) For any school district with a Low Income

1 Concentration Level of at least 10% and less than 20%, the
2 grant for each school year shall be \$675 multiplied by the
3 low income eligible pupil count.

4 (c) For any school district with a Low Income
5 Concentration Level of at least 20% and less than 35%, the
6 grant for each school year shall be \$1,330 multiplied by
7 the low income eligible pupil count.

8 (d) For any school district with a Low Income
9 Concentration Level of at least 35% and less than 50%, the
10 grant for each school year shall be \$1,362 multiplied by
11 the low income eligible pupil count.

12 (e) For any school district with a Low Income
13 Concentration Level of at least 50% and less than 60%, the
14 grant for each school year shall be \$1,680 multiplied by
15 the low income eligible pupil count.

16 (f) For any school district with a Low Income
17 Concentration Level of 60% or more, the grant for each
18 school year shall be \$2,080 multiplied by the low income
19 eligible pupil count.

20 (2.10) Except as otherwise provided, supplemental general
21 State aid pursuant to this subsection (H) shall be provided as
22 follows for the 2003-2004 school year and each school year
23 thereafter:

24 (a) For any school district with a Low Income
25 Concentration Level of 15% or less, the grant for each
26 school year shall be \$355 multiplied by the low income
27 eligible pupil count.

28 (b) For any school district with a Low Income
29 Concentration Level greater than 15%, the grant for each
30 school year shall be \$294.25 added to the product of \$2,700
31 and the square of the Low Income Concentration Level, all
32 multiplied by the low income eligible pupil count.

33 For the 2003-2004 school year only, the grant shall be no
34 less than the grant for the 2002-2003 school year. For the
35 2004-2005 school year only, the grant shall be no less than the
36 grant for the 2002-2003 school year multiplied by 0.66. For the

1 2005-2006 school year only, the grant shall be no less than the
2 grant for the 2002-2003 school year multiplied by 0.33.

3 For the 2003-2004 school year only, the grant shall be no
4 greater than the grant received during the 2002-2003 school
5 year added to the product of 0.25 multiplied by the difference
6 between the grant amount calculated under subsection (a) or (b)
7 of this paragraph (2.10), whichever is applicable, and the
8 grant received during the 2002-2003 school year. For the
9 2004-2005 school year only, the grant shall be no greater than
10 the grant received during the 2002-2003 school year added to
11 the product of 0.50 multiplied by the difference between the
12 grant amount calculated under subsection (a) or (b) of this
13 paragraph (2.10), whichever is applicable, and the grant
14 received during the 2002-2003 school year. For the 2005-2006
15 school year only, the grant shall be no greater than the grant
16 received during the 2002-2003 school year added to the product
17 of 0.75 multiplied by the difference between the grant amount
18 calculated under subsection (a) or (b) of this paragraph
19 (2.10), whichever is applicable, and the grant received during
20 the 2002-2003 school year.

21 (3) School districts with an Average Daily Attendance of
22 more than 1,000 and less than 50,000 that qualify for
23 supplemental general State aid pursuant to this subsection
24 shall submit a plan to the State Board of Education prior to
25 October 30 of each year for the use of the funds resulting from
26 this grant of supplemental general State aid for the
27 improvement of instruction in which priority is given to
28 meeting the education needs of disadvantaged children. Such
29 plan shall be submitted in accordance with rules and
30 regulations promulgated by the State Board of Education.

31 (4) School districts with an Average Daily Attendance of
32 50,000 or more that qualify for supplemental general State aid
33 pursuant to this subsection shall be required to distribute
34 from funds available pursuant to this Section, no less than
35 \$261,000,000 in accordance with the following requirements:

36 (a) The required amounts shall be distributed to the

1 attendance centers within the district in proportion to the
2 number of pupils enrolled at each attendance center who are
3 eligible to receive free or reduced-price lunches or
4 breakfasts under the federal Child Nutrition Act of 1966
5 and under the National School Lunch Act during the
6 immediately preceding school year.

7 (b) The distribution of these portions of supplemental
8 and general State aid among attendance centers according to
9 these requirements shall not be compensated for or
10 contravened by adjustments of the total of other funds
11 appropriated to any attendance centers, and the Board of
12 Education shall utilize funding from one or several sources
13 in order to fully implement this provision annually prior
14 to the opening of school.

15 (c) Each attendance center shall be provided by the
16 school district a distribution of noncategorical funds and
17 other categorical funds to which an attendance center is
18 entitled under law in order that the general State aid and
19 supplemental general State aid provided by application of
20 this subsection supplements rather than supplants the
21 noncategorical funds and other categorical funds provided
22 by the school district to the attendance centers.

23 (d) Any funds made available under this subsection that
24 by reason of the provisions of this subsection are not
25 required to be allocated and provided to attendance centers
26 may be used and appropriated by the board of the district
27 for any lawful school purpose.

28 (e) Funds received by an attendance center pursuant to
29 this subsection shall be used by the attendance center at
30 the discretion of the principal and local school council
31 for programs to improve educational opportunities at
32 qualifying schools through the following programs and
33 services: early childhood education, reduced class size or
34 improved adult to student classroom ratio, enrichment
35 programs, remedial assistance, attendance improvement, and
36 other educationally beneficial expenditures which

1 supplement the regular and basic programs as determined by
2 the State Board of Education. Funds provided shall not be
3 expended for any political or lobbying purposes as defined
4 by board rule.

5 (f) Each district subject to the provisions of this
6 subdivision (H) (4) shall submit an acceptable plan to meet
7 the educational needs of disadvantaged children, in
8 compliance with the requirements of this paragraph, to the
9 State Board of Education prior to July 15 of each year.
10 This plan shall be consistent with the decisions of local
11 school councils concerning the school expenditure plans
12 developed in accordance with part 4 of Section 34-2.3. The
13 State Board shall approve or reject the plan within 60 days
14 after its submission. If the plan is rejected, the district
15 shall give written notice of intent to modify the plan
16 within 15 days of the notification of rejection and then
17 submit a modified plan within 30 days after the date of the
18 written notice of intent to modify. Districts may amend
19 approved plans pursuant to rules promulgated by the State
20 Board of Education.

21 Upon notification by the State Board of Education that
22 the district has not submitted a plan prior to July 15 or a
23 modified plan within the time period specified herein, the
24 State aid funds affected by that plan or modified plan
25 shall be withheld by the State Board of Education until a
26 plan or modified plan is submitted.

27 If the district fails to distribute State aid to
28 attendance centers in accordance with an approved plan, the
29 plan for the following year shall allocate funds, in
30 addition to the funds otherwise required by this
31 subsection, to those attendance centers which were
32 underfunded during the previous year in amounts equal to
33 such underfunding.

34 For purposes of determining compliance with this
35 subsection in relation to the requirements of attendance
36 center funding, each district subject to the provisions of

1 this subsection shall submit as a separate document by
2 December 1 of each year a report of expenditure data for
3 the prior year in addition to any modification of its
4 current plan. If it is determined that there has been a
5 failure to comply with the expenditure provisions of this
6 subsection regarding contravention or supplanting, the
7 State Superintendent of Education shall, within 60 days of
8 receipt of the report, notify the district and any affected
9 local school council. The district shall within 45 days of
10 receipt of that notification inform the State
11 Superintendent of Education of the remedial or corrective
12 action to be taken, whether by amendment of the current
13 plan, if feasible, or by adjustment in the plan for the
14 following year. Failure to provide the expenditure report
15 or the notification of remedial or corrective action in a
16 timely manner shall result in a withholding of the affected
17 funds.

18 The State Board of Education shall promulgate rules and
19 regulations to implement the provisions of this
20 subsection. No funds shall be released under this
21 subdivision (H) (4) to any district that has not submitted a
22 plan that has been approved by the State Board of
23 Education.

24 (I) General State Aid for Newly Configured School Districts.

25 (1) For a new school district formed by combining property
26 included totally within 2 or more previously existing school
27 districts, for its first year of existence the general State
28 aid and supplemental general State aid calculated under this
29 Section shall be computed for the new district and for the
30 previously existing districts for which property is totally
31 included within the new district. If the computation on the
32 basis of the previously existing districts is greater, a
33 supplementary payment equal to the difference shall be made for
34 the first 4 years of existence of the new district.

35 (2) For a school district which annexes all of the

1 territory of one or more entire other school districts, for the
2 first year during which the change of boundaries attributable
3 to such annexation becomes effective for all purposes as
4 determined under Section 7-9 or 7A-8, the general State aid and
5 supplemental general State aid calculated under this Section
6 shall be computed for the annexing district as constituted
7 after the annexation and for the annexing and each annexed
8 district as constituted prior to the annexation; and if the
9 computation on the basis of the annexing and annexed districts
10 as constituted prior to the annexation is greater, a
11 supplementary payment equal to the difference shall be made for
12 the first 4 years of existence of the annexing school district
13 as constituted upon such annexation.

14 (3) For 2 or more school districts which annex all of the
15 territory of one or more entire other school districts, and for
16 2 or more community unit districts which result upon the
17 division (pursuant to petition under Section 11A-2) of one or
18 more other unit school districts into 2 or more parts and which
19 together include all of the parts into which such other unit
20 school district or districts are so divided, for the first year
21 during which the change of boundaries attributable to such
22 annexation or division becomes effective for all purposes as
23 determined under Section 7-9 or 11A-10, as the case may be, the
24 general State aid and supplemental general State aid calculated
25 under this Section shall be computed for each annexing or
26 resulting district as constituted after the annexation or
27 division and for each annexing and annexed district, or for
28 each resulting and divided district, as constituted prior to
29 the annexation or division; and if the aggregate of the general
30 State aid and supplemental general State aid as so computed for
31 the annexing or resulting districts as constituted after the
32 annexation or division is less than the aggregate of the
33 general State aid and supplemental general State aid as so
34 computed for the annexing and annexed districts, or for the
35 resulting and divided districts, as constituted prior to the
36 annexation or division, then a supplementary payment equal to

1 the difference shall be made and allocated between or among the
2 annexing or resulting districts, as constituted upon such
3 annexation or division, for the first 4 years of their
4 existence. The total difference payment shall be allocated
5 between or among the annexing or resulting districts in the
6 same ratio as the pupil enrollment from that portion of the
7 annexed or divided district or districts which is annexed to or
8 included in each such annexing or resulting district bears to
9 the total pupil enrollment from the entire annexed or divided
10 district or districts, as such pupil enrollment is determined
11 for the school year last ending prior to the date when the
12 change of boundaries attributable to the annexation or division
13 becomes effective for all purposes. The amount of the total
14 difference payment and the amount thereof to be allocated to
15 the annexing or resulting districts shall be computed by the
16 State Board of Education on the basis of pupil enrollment and
17 other data which shall be certified to the State Board of
18 Education, on forms which it shall provide for that purpose, by
19 the regional superintendent of schools for each educational
20 service region in which the annexing and annexed districts, or
21 resulting and divided districts are located.

22 (3.5) Claims for financial assistance under this
23 subsection (I) shall not be recomputed except as expressly
24 provided under this Section.

25 (4) Any supplementary payment made under this subsection
26 (I) shall be treated as separate from all other payments made
27 pursuant to this Section.

28 (J) Supplementary Grants in Aid.

29 (1) Notwithstanding any other provisions of this Section,
30 the amount of the aggregate general State aid in combination
31 with supplemental general State aid under this Section for
32 which each school district is eligible shall be no less than
33 the amount of the aggregate general State aid entitlement that
34 was received by the district under Section 18-8 (exclusive of
35 amounts received under subsections 5(p) and 5(p-5) of that

1 Section) for the 1997-98 school year, pursuant to the
2 provisions of that Section as it was then in effect. If a
3 school district qualifies to receive a supplementary payment
4 made under this subsection (J), the amount of the aggregate
5 general State aid in combination with supplemental general
6 State aid under this Section which that district is eligible to
7 receive for each school year shall be no less than the amount
8 of the aggregate general State aid entitlement that was
9 received by the district under Section 18-8 (exclusive of
10 amounts received under subsections 5(p) and 5(p-5) of that
11 Section) for the 1997-1998 school year, pursuant to the
12 provisions of that Section as it was then in effect.

13 (2) If, as provided in paragraph (1) of this subsection
14 (J), a school district is to receive aggregate general State
15 aid in combination with supplemental general State aid under
16 this Section for the 1998-99 school year and any subsequent
17 school year that in any such school year is less than the
18 amount of the aggregate general State aid entitlement that the
19 district received for the 1997-98 school year, the school
20 district shall also receive, from a separate appropriation made
21 for purposes of this subsection (J), a supplementary payment
22 that is equal to the amount of the difference in the aggregate
23 State aid figures as described in paragraph (1).

24 (3) (Blank).

25 (K) Grants to Laboratory and Alternative Schools.

26 In calculating the amount to be paid to the governing board
27 of a public university that operates a laboratory school under
28 this Section or to any alternative school that is operated by a
29 regional superintendent of schools, the State Board of
30 Education shall require by rule such reporting requirements as
31 it deems necessary.

32 As used in this Section, "laboratory school" means a public
33 school which is created and operated by a public university and
34 approved by the State Board of Education. The governing board
35 of a public university which receives funds from the State

1 Board under this subsection (K) may not increase the number of
2 students enrolled in its laboratory school from a single
3 district, if that district is already sending 50 or more
4 students, except under a mutual agreement between the school
5 board of a student's district of residence and the university
6 which operates the laboratory school. A laboratory school may
7 not have more than 1,000 students, excluding students with
8 disabilities in a special education program.

9 As used in this Section, "alternative school" means a
10 public school which is created and operated by a Regional
11 Superintendent of Schools and approved by the State Board of
12 Education. Such alternative schools may offer courses of
13 instruction for which credit is given in regular school
14 programs, courses to prepare students for the high school
15 equivalency testing program or vocational and occupational
16 training. A regional superintendent of schools may contract
17 with a school district or a public community college district
18 to operate an alternative school. An alternative school serving
19 more than one educational service region may be established by
20 the regional superintendents of schools of the affected
21 educational service regions. An alternative school serving
22 more than one educational service region may be operated under
23 such terms as the regional superintendents of schools of those
24 educational service regions may agree.

25 Each laboratory and alternative school shall file, on forms
26 provided by the State Superintendent of Education, an annual
27 State aid claim which states the Average Daily Attendance of
28 the school's students by month. The best 3 months' Average
29 Daily Attendance shall be computed for each school. The general
30 State aid entitlement shall be computed by multiplying the
31 applicable Average Daily Attendance by the Foundation Level as
32 determined under this Section.

33 (L) Payments, Additional Grants in Aid and Other Requirements.

34 (1) For a school district operating under the financial
35 supervision of an Authority created under Article 34A, the

1 general State aid otherwise payable to that district under this
2 Section, but not the supplemental general State aid, shall be
3 reduced by an amount equal to the budget for the operations of
4 the Authority as certified by the Authority to the State Board
5 of Education, and an amount equal to such reduction shall be
6 paid to the Authority created for such district for its
7 operating expenses in the manner provided in Section 18-11. The
8 remainder of general State school aid for any such district
9 shall be paid in accordance with Article 34A when that Article
10 provides for a disposition other than that provided by this
11 Article.

12 (2) (Blank).

13 (3) Summer school. Summer school payments shall be made as
14 provided in Section 18-4.3.

15 (M) Education Funding Advisory Board.

16 The Education Funding Advisory Board, hereinafter in this
17 subsection (M) referred to as the "Board", is hereby created.
18 The Board shall consist of 5 members who are appointed by the
19 Governor, by and with the advice and consent of the Senate. The
20 members appointed shall include representatives of education,
21 business, and the general public. One of the members so
22 appointed shall be designated by the Governor at the time the
23 appointment is made as the chairperson of the Board. The
24 initial members of the Board may be appointed any time after
25 the effective date of this amendatory Act of 1997. The regular
26 term of each member of the Board shall be for 4 years from the
27 third Monday of January of the year in which the term of the
28 member's appointment is to commence, except that of the 5
29 initial members appointed to serve on the Board, the member who
30 is appointed as the chairperson shall serve for a term that
31 commences on the date of his or her appointment and expires on
32 the third Monday of January, 2002, and the remaining 4 members,
33 by lots drawn at the first meeting of the Board that is held
34 after all 5 members are appointed, shall determine 2 of their
35 number to serve for terms that commence on the date of their

1 respective appointments and expire on the third Monday of
2 January, 2001, and 2 of their number to serve for terms that
3 commence on the date of their respective appointments and
4 expire on the third Monday of January, 2000. All members
5 appointed to serve on the Board shall serve until their
6 respective successors are appointed and confirmed. Vacancies
7 shall be filled in the same manner as original appointments. If
8 a vacancy in membership occurs at a time when the Senate is not
9 in session, the Governor shall make a temporary appointment
10 until the next meeting of the Senate, when he or she shall
11 appoint, by and with the advice and consent of the Senate, a
12 person to fill that membership for the unexpired term. If the
13 Senate is not in session when the initial appointments are
14 made, those appointments shall be made as in the case of
15 vacancies.

16 The Education Funding Advisory Board shall be deemed
17 established, and the initial members appointed by the Governor
18 to serve as members of the Board shall take office, on the date
19 that the Governor makes his or her appointment of the fifth
20 initial member of the Board, whether those initial members are
21 then serving pursuant to appointment and confirmation or
22 pursuant to temporary appointments that are made by the
23 Governor as in the case of vacancies.

24 The State Board of Education shall provide such staff
25 assistance to the Education Funding Advisory Board as is
26 reasonably required for the proper performance by the Board of
27 its responsibilities.

28 For school years after the 2000-2001 school year, the
29 Education Funding Advisory Board, in consultation with the
30 State Board of Education, shall make recommendations as
31 provided in this subsection (M) to the General Assembly for the
32 foundation level under subdivision (B)(3) of this Section and
33 for the supplemental general State aid grant level under
34 subsection (H) of this Section for districts with high
35 concentrations of children from poverty. The recommended
36 foundation level shall be determined based on a methodology

1 which incorporates the basic education expenditures of
2 low-spending schools exhibiting high academic performance. The
3 Education Funding Advisory Board shall make such
4 recommendations to the General Assembly on January 1 of odd
5 numbered years, beginning January 1, 2001.

6 (N) (Blank).

7 (O) References.

8 (1) References in other laws to the various subdivisions of
9 Section 18-8 as that Section existed before its repeal and
10 replacement by this Section 18-8.05 shall be deemed to refer to
11 the corresponding provisions of this Section 18-8.05, to the
12 extent that those references remain applicable.

13 (2) References in other laws to State Chapter 1 funds shall
14 be deemed to refer to the supplemental general State aid
15 provided under subsection (H) of this Section.

16 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,
17 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636,
18 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03.)

19 Section 99. Effective date. This Act takes effect July 1,
20 2004.